

NEW SOUTH WALES.

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BUSINESS STATISTICS OCTOBER, 1943.

3 NOV 1943

C O N T E N T S.

PART I

PRIMARY & EXPORT INDUSTRIES.

RURAL INDUSTRIES - GENERAL. Seasonal conditions.

WHEAT: ✓ Forecast of N.S.W. harvest

MEAT: ✓ Rationing. Retailers quotas.

DAIRY INDUSTRIES: Production in N.S.W., August, 1943.

PART II

FINANCE & TRADE. ✓

COMMONWEALTH ACCOUNTS: ✓ September, 1943.

STATE: Budget, 1943-44, and Accounts, September, 1943.

TRADING BANKS: Deposits, Advances, etc., August, 1943.

NOTE ISSUE: 20th September, 1943.

INTEREST RATES: Treasury Bill rate reduced.

WAR DAMAGE INSURANCE: Contributions suspended in 1944.

LIFE ASSURANCE: Business in 1942.

RETAIL PRICES AND BASIC WAGE: September quarter, 1943.

REAL ESTATE: Sales and Mortgages, August, 1943.

MISCELLANEOUS: Clothes rationing, Bankruptcies and
Lend-Lease Aid.

People engaged in war activities in Australia number 1,600,000 or 47% of the working population. They have been obtained by the withdrawal of 980,000 from civilian production and an increase of 620,000 in the working population (i.e., from 2,750,000 to 3,370,000). In 1938-39 the Australian national income produced was estimated at £788 m. and war expenditure was £14 m., in 1942-43 the respective amounts were £1,220 m. and £560 m. These figures were quoted by the Prime Minister who stated, in reviewing Australia's economic policy, that man power has been mobilised almost to the maximum and additional gains from the further pruning of unessential industry and rationalising of essential industry cannot be large. He expressed the prime need as being to make the operation of existing controls more fully effective, particularly in maintaining the stability of prices and the overall price ceiling.

Drastic restrictions on the use of coal have been announced by the Federal Government to bridge a deficiency of about 2.3 m. tons in production of black coal as compared with consumption in 1943. Based on results so far, production in 1943 is expected to be about 12.5 m. tons and consumption, in the absence of restrictions, 14.8 m. tons. The restrictions are designed to save 31,000 tons weekly and by a fuel economy campaign it is hoped to save another 9,000 tons, a total weekly saving of 40,000 tons. Weekly savings by restrictions are to be made from the following sources: railways, 12,500 tons (i.e., 25% of normal consumption of N.S.W. coal), industry 12,500 tons (12½%), external lighting 1,000 tons, and gas and electricity 5,000 tons. Domestic consumers of gas and electricity are asked to reduce consumption by 20%. Production of black coal in Australia since 1929 has been:

<u>Year</u>	<u>Tons</u>	<u>Year</u>	<u>Tons</u>
1939	13.4 m.	1942	14.9 m.
1940	11.7 "	1943 (to 18th Sept.)	10.2 "
1941	14.1 "		

The Prime Minister announced that production in 1943 (to 18th Sept.) was 2.5 m. tons less than the output possible, and ascribed to absenteeism 1 m. tons of the loss and to strikes 1 m. tons.

A Parliamentary Committee (War Expenditure Committee) has been appointed by the Commonwealth to examine current expenditure for defence and other war services and report what, if any, economies may be effected. A departmental committee has been appointed to report on the various phases of immigration.

PART I. PRIMARY AND EXPORT INDUSTRIES.

Seasonal conditions are favourable in dairying and eastern pastoral areas and over a large part of the wheat country. In the West and Central and North West substantial rains are needed to provide summer pastures.

RAINFALL INDEX - N.S.W.

Weighted average ratio of actual to normal rainfall.
Normal rainfall each month = 100.

Period	Sheep	Wheat Districts	Dairying (Coastal) Districts
Year 1942	111	110	97
1943 - Jan.	141	138	75
Mar.	15	17	44
May	124	118	216
June	51	53	25
July	67	83	6
Aug.	105	103	156
Sept.	116	122	128

WHEAT.

The first official forecast of the 1943-44 wheat harvest in N.S.W. is 39 m. bushels, 12.7 m. bushels less than last year. The forecast was made by the Dept. of Agriculture on the basis of crop conditions and prospects at 7th October.

Season	Area of Wheat for				Bushels of Grain	Yield per acre
	Grain	Hay	Fed-off	Total		
	Thousand acres				million	bush.
1939-40	4,381	264	36	4,681	76.6	17.5 +
1940-41	4,454	355	57	4,866	23.9	5.4
1941-42	3,969	346	27	4,342	48.5	12.2
1942-43	3,033	287	66	3,386	51.7	17.0 +
1943-44	Not available.			3,060	39.0	...

* Forecast. + Near record.

A further sum of £500,000 for the elimination of marginal wheat areas has been allocated by the Commonwealth Government as follows: N.S.W. £225,000, South Australia £203,000 and Western Australia £72,000.

MEAT.

Meat rationing is to be introduced in January, 1944, and is expected to release 150,000 to 200,000 tons for export and the services. The Australian meat production goal is 1,180,000 tons in 1944. Details of the rationing scheme have not yet been announced.

As from 25th October the mutton and lamb "quota" in Sydney was increased by 10% of April purchases.

Retailers "quotas" now stand at:

Sydney	.....	beef	33 $\frac{1}{3}$ %	mutton and lamb	130%.
Newcastle	.....	"	40%	"	150%.

DAIRY INDUSTRY.

Butter produced in N.S.W. factories in July and August, 1943 (3.3 m. lb.) was the lowest for these months since 1923. Autumn and winter production this year (29.8 m. lb.) was only 72% of production in each of the three preceding years and 63% of the average 1935/1937.

BUTTER PRODUCED - N.S.W. FACTORIES.

000,000 lb.

Period.	Average 1935/37	1940.	1941.	1942.	1943.
Year ended June	121.1	112.0	103.7	85.1	93.8
Month - March	14.0	9.6	11.7	10.1	8.6
April	10.9	9.2	8.7	8.6	6.1
May	7.7	7.3	6.8	6.8	4.8
June	5.2	5.1	5.2	5.5	3.7
July	4.6	5.0	4.6	5.2	3.3
August	5.1	5.0	4.6	5.3	3.3
Six Months	47.5	41.2	41.6	41.5	29.8

PART II. FINANCE AND TRADE.

PUBLIC FINANCE.

Commonwealth. Revenue amounted to £21.4 m. in the month and £64.7 m. in the three months ended 30th September, 1943. Increases as compared with last year were £3.4 m. and £16.5 m. respectively. The chief increases in the three months were: Income Tax £13.1 m. and Excise £2.4 m.; Sales Tax declined by £0.6 m.

Expenditure in the three months (£168.7 m.) was £3.3 m. less than a proportionate part (3/12) of the 1943-44 estimate.

COMMONWEALTH EXPENDITURE (EXCL. INCOME TAX REIMBURSED TO STATES).

£ million.

Service	Estimates 1943-44	Month of September		Three months ended Sept.		
		1942	1943	1942	1943	Increase
War. (1939 from --						
Revenue	167.6	9.5	11.8	21.0	36.5	15.5
Loans	402.3	33.0	40.8	92.1	103.9	11.8
Total War.	569.9	42.5	52.6	113.1	140.4	27.3
Other Revenue Services.	117.9★	8.6	9.6	27.1	28.3	1.2
Total all Services.	687.8★	51.1	62.2	140.2	168.7	28.5

★ Excludes £27.4 m., unappropriated balance of £29.7 transferred to National Welfare Fund.

State. The Budget for 1943-44 provides for an estimated surplus of £545,350 as compared with an actual surplus of £1,144,358 last year. The totals of the several funds comprising the revenue budget are:

N.S.W. STATE ACCOUNTS: ACTUAL 1942-43, ESTIMATES 1943-44.
£ million.

Funds	Revenue		Expenditure		Surplus	
	Actual 1942/3	Estimate 1943/4	Actual 1942/3	Estimate 1943/4	Actual 1942/3	Estimate 1943/4
Consolidated Revenue	30.2	29.6	30.1	29.9	.1	(-) .3
Railways	34.9	35.2	34.1	34.5	.8	.7
Trams & Buses	5.6	5.7	5.6	5.7	...	...
Sydney Harbour	1.2	1.1	.9	1.0	.3	.1
Road Transport and Traffic	.5	.5	.5	.5	...	...
Total	72.4	72.1	71.2	71.6	1.2	.5

For the three months ended September, 1943, expenditure by the State (£17.7 m.) exceeded revenue (£16.1 m.) by £1.6 m. Last year expenditure was £16.1 m., revenue £15.7 m. and the excess of expenditure £0.4 m. The apparent retrogression in the balance (£1.2m.) is due to a lag in progress receipts in respect of income tax (now reimbursed by the Commonwealth) which amounted to £2.6 m. in 1942-43 and £1.4 m. in 1943-44.

PRIVATE TRADING BANKS: LIABILITIES AND ASSETS IN AUSTRALIA.

In the month July/August, 1943, deposits increased by £13.5 m. and advances declined by £6.2 m; complimentary increases in other items were Cash and Treasury Bills £14.6 m. and Special Wartime Deposits with Commonwealth Bank £1.4 m.

As compared with a year ago, deposits are higher by £73.9 m. or 19% and advances are lower by £20.6 m. or 7.8%.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia.
£ million.

Av. of Weekly Figures.	Deposits			Coin Notes etc. & Cash at C'wealth Bank.	Treas-ury Bills	Govt. & Municipal Secur-ities.	Special Wartime Deposits with C'wealth Bank	Advances, Discounts, etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)	Total					
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1940 "	210.3	135.1	345.4	31.1	38.3	43.7	-	289.9
1941 "	204.9	155.1	360.0	33.3	36.1	61.9	-	283.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1942-June	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
July	190.3	188.6	378.9	36.4	38.4	56.3	36.3	269.9
Aug.	190.7	200.2	390.9	50.1	37.1	56.3	37.9	264.0
1943-March	197.1	262.3	459.4	44.8	82.7	63.2	89.2	234.2
June	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
July	203.2	248.1	451.3	35.2	47.4	75.6	103.3	249.6
Aug.	205.1	259.7	464.8	40.0	57.2	76.0	104.7	243.4

NOTE ISSUE.

Notes held by the public amounted to £133.6 m. on 20th September, 1943, an increase of £3.4 m. in the four weeks from 23rd August. Annual increases in the successive years since 25th Sept. 1939, have been £10.2 m., £10.3 m., £38.6. and £37.2 m.

INTEREST RATES.

The rate of discount on Commonwealth Treasury Bills is to be reduced on 3rd November, 1943, to 1½% from 1½% (rate since May, 1940).

Date of change	Treasury Bills	Fixed Deposits		Savings Bank.
	%	3 months %	6 months %	%
1935-January	1¾	1	1½	2
1936-March	...	2	2½	...
1940-January	...	1¾	2¼	...
May	1½	1½	2	...
1941-September	...	...	1¾	...
1942-March	...	1¼	1½	...
1943-November	1½	...	...	...

WAR DAMAGE INSURANCE.

Those already insured against war damage are to remain covered in 1944 without payment of further contribution. Contributions in respect of 1944 will be payable by those who acquire property on or after 1st January or wish to insure voluntarily for the first time. The estimated position of the fund at 31st December, 1943, after two years operations, is: Income £14 m., Claims £5 m., Surplus £9 m.

LIFE ASSURANCE.

The amount assured under new policies issued in N.S.W. was £22 m. in 1942. This amount has been exceeded only in the four years 1936 to 1939 (figures are not available for 1941) and is 15% less than the peak, £26.1 m. in 1937. A small

increase in new business as compared with 1940 occurred in the Ordinary Dept.; there was a decline in the Industrial Dept.

LIFE ASSURANCE: NEW BUSINESS IN N.S.W. (EXCL. ANNUITIES).

Year	No. of Policies		Amount Assured		Totals.
	Ordinary Dep't.	Industrial Dep't.	Ordinary Dep't.	Industrial Dep't.	
			£000	£000	£000
1928	33,298	131,498	12,985	6,987	19,972
1937	54,933	168,996	18,251	7,810	26,061
1939	50,520	156,787	18,179	7,540	25,719
1940	42,369	149,103	14,532	7,096	21,678
1941	Not available.		Not available.		
1942	45,766	122,077	15,442	6,584	22,026

The amount assured (excluding bonus additions) under policies in force in N.S.W. amounted to £226.7 m. in 1942; i.e., £79.6 per head of population as compared with £77.2 in 1941, £71.1 in 1939 and £49.3 in 1928. The net addition to existing business (i.e. new business less discontinuances through maturities, surrenders, lapses) was £9.5 m. in 1942 or 24% less than in 1941. Annual premiums which represent an important source of small savings available for investment in Government loans, amounted in 1942 to £5.7m in the Ordinary Dept. and £3.1 m. in the Industrial Dept., a total of £8.8 m.

LIFE ASSURANCE: BUSINESS IN FORCE IN N.S.W. (EXCL. ANNUITIES.)

Year	No. of Policies		Amount Assured (excl. bonuses)				Annual Premium.
	Ordinary.	Industrial	Ordinary	Industrial	Total	Increase (year)	
	000	000	£m	£m	£m	£m	£m
1928	283.4	604.3	96.4	26.2	122.6	8.6	4.8
1937	370.0	854.5	134.2	37.6	171.8	14.3	6.7
1939	421.2	962.5	153.3	43.2	196.5	12.3	7.6
1940	438.1	1,010.8	159.1	45.6	204.7	8.2	7.9
1941	462.8	1,074.2	168.3	48.9	217.2	12.5	*
1942	486.0	1,123.5	174.8	51.9	226.7	9.5	8.8

* not available.

RETAIL PRICES.

In September quarter, 1943, the "C" Series Index of Retail Prices declined in all cities and towns for which the Index is computed, except in one town in Western Australia and four in Tasmania. The decline, as compared with June quarter, was 0.95% in the Index numbers for Sydney and five N.S.W. Towns (weighted average, including Sydney). This was slightly greater than the decline 0.88%, in the weighted average Index numbers for the Six Capital Cities and Thirty Towns (including capital cities).

RETAIL PRICES "C" SERIES * INDEX NUMBERS.

(Cost of food, groceries, housing, clothing and miscellaneous items).

Area.	September Qrtr.			1942		1943		
	1939	1940	1941	Sept Qr	Dec. Qr	Mar. Qr	June Qr	Sep. Qr
<u>N.S.W.</u>								
Sydney	933	973	1027	1122	1138	1141	1165	1154
Five Towns (wtd. av.)	930	970	1025	1118	1135	1137	1162	1151
<u>AUST.</u>								
Six Capitals (" ")	916	959	1009	1106	1122	1123	1143	1133
Thirty Towns (" ")	914	956	1006	1102	1117	1119	1140	1130

* Base: Weighted average in Six capital cities in 1923-1927 = 1000

Percentage variations in the Group Index numbers for Sydney from pre-war, in the last year and in September quarter, 1943, are shown below. In September quarter, 1943, the Index numbers for Food and Clothing declined, Rent was unchanged and Miscellaneous Items increased.

PERCENTAGE MOVEMENTS IN GROUP INDEX NUMBERS FOR SYDNEY.

Period	Increase (+)		Decrease (-)		Miscellaneous Items.	Total.
	Food	Rent	Clothing			
Quarters.	%	%	%	%	%	%
Sep., 1939, to Sep., 1943	(+) 11.7	(+) 0.3	(+) 74.0	(+) 25.2	(+) 23.7	
" 1942 " " 1943	(-) 2.1	...	(+) 9.4	(+) 6.2	(+) 2.8	
June, 1943 " " 1943	(-) 2.4	...	(-) 1.1	(+) 1.1	(-) 0.9	

As part of its plans to stabilise the cost of living at the level prevailing in April, 1943, the Federal Government in July last effected reductions in the Sales Tax on rationed clothing and household drapery, 5% (from 12½% to 7½%), and in the prices of tea (1s. 2d. lb.) and potatoes (to 5 lb. for 6d.)

BASIC WAGE.

The basic wage is determined from time to time by the Commonwealth Court of Conciliation and Arbitration and, in the interim periods, it is adjusted in accordance with the movement in the "C" Series Index of Retail Prices. As from the first pay in November the basic wage will be reduced by 1s. in Sydney (new rate 99s), Melbourne (98s.) and Brisbane (93s.) and will remain unchanged in other capital cities. (Adelaide and Perth 94s., Hobart 95s.).

SYDNEY BASIC WAGE - PREDOMINANT RATE IN FEDERAL AWARDS.

Shillings per week. Adult males.

Year	Quarterly adjustment commencing:-			
	February	May	August	November.
1939*	81	82	81	82
1940	82	83	85	85
1941	88	88	89	89
1942	91	93	95	97
1943	98	98	100	99

* Commencing one month later.

REAL ESTATE.

Sales in August, 1943, were £404,000 less than in July, 1943, which was the highest month since £1.9 m. in November, 1942. In the eight months ended August, 1943, sales declined by 26% as compared with last year. Mortgages declined by 39% in the same period.

REAL ESTATE TRANSACTIONS: N.S.W.

Period	S a l e s.				Mortgages (incl. renewals).			
	1939	1941	1942	1943	1939	1941	1942	1943
Jan - April.	10,755	10,191	9,646	5,587	7,682	5,102	3,778	2,024
May	3,090	2,835	1,154	1,185	2,112	1,324	526	381
June	2,613	3,029	1,266	1,358	1,658	1,273	599	400
July	2,919	3,165	1,540	1,783	1,950	1,470	622	399
August	3,068	2,545	1,671	1,379	2,770	1,213	451	450
Jan-Aug	22,445	21,765	15,277	11,292	16,172	10,382	5,976	3,654
Year	32,157	33,239	21,609	...	22,444	15,630	8,007	...

Bankruptcy proceedings in Australia have declined steeply during the war, viz, cases numbered 1901 in 1939/40, 1460 in 1940/41, 979 in 1941/42 and 465 in 1942/43.

Rationing. "B" clothing coupons become eligible for use with unexpended "A" coupons from 15th November. The full term of the current clothing rationing period has not yet been decided but the Minister for Customs has indicated that it will not be longer than the last (twelve months) if imports are maintained and service demands do not increase.

Lend-Lease aid by U.S.A. to Australia to 30th June, 1943, is estimated at £172.5 m. and Australia's reciprocal aid to U.S.A. at £65 m. In 1943-44 reciprocal aid by Australia is expected to reach £100 m. Of the U.S.A. aid to Australia direct war materials represented 52.4%, petroleum products 10.8%, transportation equipment 9.2%, machinery and tools 7.7%, metals (principally tinplate) 7.4%, textiles and textile raw materials 4.7%, other 7.8%.

Quarterly adjustment percentages

Year	February	May	August	November
1942	81	83	82	80
1943	85	87	86	84
1944	88	90	89	87
1945	91	93	92	90
1946	94	96	95	93

1947	97	99	98	96
1948	100	102	101	99
1949	103	105	104	102
1950	106	108	107	105
1951	109	111	110	108
1952	112	114	113	111
1953	115	117	116	114
1954	118	120	119	117
1955	121	123	122	120
1956	124	126	125	123
1957	127	129	128	126
1958	130	132	131	129
1959	133	135	134	132
1960	136	138	137	135
1961	139	141	140	138
1962	142	144	143	141
1963	145	147	146	144
1964	148	150	149	147
1965	151	153	152	150
1966	154	156	155	153
1967	157	159	158	156
1968	160	162	161	159
1969	163	165	164	162
1970	166	168	167	165
1971	169	171	170	168
1972	172	174	173	171
1973	175	177	176	174
1974	178	180	179	177
1975	181	183	182	180
1976	184	186	185	183
1977	187	189	188	186
1978	190	192	191	189
1979	193	195	194	192
1980	196	198	197	195
1981	199	201	200	198
1982	202	204	203	201
1983	205	207	206	204
1984	208	210	209	207
1985	211	213	212	210
1986	214	216	215	213
1987	217	219	218	216
1988	220	222	221	219
1989	223	225	224	222
1990	226	228	227	225
1991	229	231	230	228
1992	232	234	233	231
1993	235	237	236	234
1994	238	240	239	237
1995	241	243	242	240
1996	244	246	245	243
1997	247	249	248	246
1998	250	252	251	249
1999	253	255	254	252
2000	256	258	257	255
2001	259	261	260	258
2002	262	264	263	261
2003	265	267	266	264
2004	268	270	269	267
2005	271	273	272	270
2006	274	276	275	273
2007	277	279	278	276
2008	280	282	281	279
2009	283	285	284	282
2010	286	288	287	285
2011	289	291	290	288
2012	292	294	293	291
2013	295	297	296	294
2014	298	300	299	297
2015	301	303	302	300
2016	304	306	305	303
2017	307	309	308	306
2018	310	312	311	309
2019	313	315	314	312
2020	316	318	317	315
2021	319	321	320	318
2022	322	324	323	321
2023	325	327	326	324
2024	328	330	329	327
2025	331	333	332	330
2026	334	336	335	333
2027	337	339	338	336
2028	340	342	341	339
2029	343	345	344	342
2030	346	348	347	345
2031	349	351	350	348
2032	352	354	353	351
2033	355	357	356	354
2034	358	360	359	357
2035	361	363	362	360
2036	364	366	365	363
2037	367	369	368	366
2038	370	372	371	369
2039	373	375	374	372
2040	376	378	377	375
2041	379	381	380	378
2042	382	384	383	381
2043	385	387	386	384
2044	388	390	389	387
2045	391	393	392	390
2046	394	396	395	393
2047	397	399	398	396
2048	400	402	401	399
2049	403	405	404	402
2050	406	408	407	405
2051	409	411	410	408
2052	412	414	413	411
2053	415	417	416	414
2054	418	420	419	417
2055	421	423	422	420
2056	424	426	425	423
2057	427	429	428	426
2058	430	432	431	429
2059	433	435	434	432
2060	436	438	437	435
2061	439	441	440	438
2062	442	444	443	441
2063	445	447	446	444
2064	448	450	449	447
2065	451	453	452	450
2066	454	456	455	453
2067	457	459	458	456
2068	460	462	461	459
2069	463	465	464	462
2070	466	468	467	465
2071	469	471	470	468
2072	472	474	473	471
2073	475	477	476	474
2074	478	480	479	477
2075	481	483	482	480
2076	484	486	485	483
2077	487	489	488	486
2078	490	492	491	489
2079	493	495	494	492
2080	496	498	497	495
2081	499	501	500	498
2082	502	504	503	501
2083	505	507	506	504
2084	508	510	509	507
2085	511	513	512	510
2086	514	516	515	513
2087	517	519	518	516
2088	520	522	521	519
2089	523	525	524	522
2090	526	528	527	525
2091	529	531	530	528
2092	532	534	533	531
2093	535	537	536	534
2094	538	540	539	537
2095	541	543	542	540
2096	544	546	545	543
2097	547	549	548	546
2098	550	552	551	549
2099	553	555	554	552
2100	556	558	557	555